



General Assembly

February Session, 2012

Raised Bill No. 258

LCO No. 1297

01297_____LAB

Referred to Committee on Labor and Public Employees

Introduced by:
(LAB)

**AN ACT CONCERNING AN INCREASE IN THE MAXIMUM
ALLOWABLE UNEMPLOYMENT COMPENSATION TRUST FUND
BALANCE.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (f) of section 31-225a of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective*
3 *October 1, 2012*):

4 (f) (1) For each calendar year commencing with calendar year 1994
5 but prior to calendar year 2013, the administrator shall establish a fund
6 balance tax rate sufficient to maintain a balance in the Unemployment
7 Compensation Trust Fund equal to eight-tenths of one per cent of the
8 total wages paid to workers covered under this chapter by
9 contributing employers during the year ending the last preceding June
10 thirtieth. If the fund balance tax rate established by the administrator
11 results in a fund balance in excess of said per cent as of December
12 thirtieth of any year, the administrator shall, in the year next following,
13 establish a fund balance tax rate sufficient to eliminate the fund
14 balance in excess of said per cent. For each calendar year commencing
15 with calendar year 2013, the administrator shall establish a fund

16 balance tax rate sufficient to maintain a balance in the Unemployment
17 Compensation Trust Fund that results in an average high cost multiple
18 greater than or equal to 0.5. Commencing with calendar year 2014 and
19 ending with calendar year 2018, the administrator shall establish a
20 fund balance tax rate sufficient to maintain a balance in the
21 Unemployment Compensation Trust Fund that results in an average
22 high cost multiple that is increased by 0.1 from the preceding calendar
23 year. Commencing with calendar year 2019, the administrator shall
24 establish a fund balance tax rate sufficient to maintain a balance in the
25 Unemployment Compensation Trust Fund that results in an average
26 high cost multiple greater than or equal to 1.0. If the fund balance tax
27 rate established by the administrator results in a fund balance in excess
28 of the amount prescribed in this subdivision as of December thirtieth
29 of any year, the administrator shall, in the year next following,
30 establish a fund balance rate sufficient to eliminate the fund balance in
31 excess of said amount. The assessment levied by the administrator at
32 any time (A) during a calendar year commencing on or after January 1,
33 1994, but prior to January 1, 1999, shall not exceed one and five-tenths
34 per cent, (B) during a calendar year commencing on or after January 1,
35 1999, shall not exceed one and four-tenths per cent, and [(C)] shall not
36 be calculated to result in a fund balance in excess of eight-tenths of one
37 per cent of such total wages, and (C) during a calendar year
38 commencing on or after January 1, 2013, shall not exceed one and four-
39 tenths per cent and shall not be calculated to result in a fund balance in
40 excess of the amounts prescribed in this subdivision.

41 (2) The average high cost multiple shall be computed as follows:
42 The result of the balance of the Unemployment Compensation Trust
43 Fund on December thirtieth immediately preceding the new rate year
44 divided by the total wages paid to workers covered under this chapter
45 by contributing employers for the twelve months ending on the
46 December thirtieth immediately preceding the new rate year shall be
47 the numerator and the average of the three highest calendar benefit
48 cost rates in (A) the last twenty years, or (B) a period including the last
49 three recessions, whichever is longer, shall be the denominator. Benefit

50 cost rates are computed as benefits paid including the state's share of
51 extended benefits but excluding reimbursable benefits as a per cent of
52 total wages in covered employment. The results rounded to the next
53 lower one decimal place will be the average high cost multiple.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2012	31-225a(f)

Statement of Purpose:

To increase the amount of money that can be retained in the Unemployment Compensation Trust Fund.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]